

247
File - Ballon, Powers
25X1

Direct Line: FE 2-7481

March 21, 1958

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Attention:

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Subject: Proposal No. R-1010 - Propelled Stratospheric Balloon

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Gentlemen:

We are submitting herewith our unsolicited proposal on a propelled stratospheric balloon. has made preliminary studies in this field which we feel may be of interest to you.

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This proposal is based on an eighteen (18) month program including flights which would take place beginning in early 1959. Although no specific contractual starting date has been included herein, it is recommended that if this program is acceptable, sufficient study lead time be accomplished before the beginning of the best flight time in early 1959.

If any additional information should be required for your evaluation, please let us know. We will be happy to be of assistance to you.

Very truly yours,

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Proposal Administrator

DOC <u>19</u>	REV DATE <u>2/7/60</u>	BY <u>35372</u>
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JUST <u>-</u>	NEXT REV <u>-</u>	AUTH: HR 79-2

Fiscal and Contractual Data

I. SCOPE

It is hereby proposed that the Mechanical Division of 25X1
 (hereafter referred to as the Contractor) enter into a cost-plus- 25X1
fixed-fee contract with the Government under the terms of which the
Contractor will conduct a study, development and flights of a propelled
stratospheric balloon, according to the enclosed technical discussion.

II. ESTIMATED COST

It is estimated that the cost of this program will be \$162,452
including a fixed fee. Detailed breakdowns of the individual items
constituting this amount are given in the attached cost schedules.

III. DELIVERY

It is proposed that this program be conducted over a period of
eighteen months. A time and delivery graph is included in the technical
discussion.

IV. TERMS AND CONDITIONS

A. This proposal is subject to withdrawal by the Contractor unless written acceptance thereto is received within sixty (60) days from the date specified herein.

B. Any contract resulting from this proposal shall contain the standard Exculpatory Clause entitled EXCUSABLE DELAYS found in Section 7-203.11 of the Armed Services Procurement Regulations.

C. All subject matter (including drawings, present or proposed designs, and other data or information) submitted with this proposal is incorporated herein for a study on a confidential basis, without consideration, for the sole purpose of negotiations of a possible contract. No subject matter is to be used, copied, or otherwise reproduced, or disclosed to any third party in any manner, directly or indirectly, without written approval by the Mechanical Division. All property rights, including patent rights, in any such subject matter are expressly reserved to General Mills, Inc., except to the extent otherwise provided by the specific terms of a written contract to which is a party. 25X1

D. Net payment for work performed under any contract which may result from this proposal shall be due thirty (30) days following date of the Contractor's invoice.

- E. In preparing this proposal, no allowance has been made for the working of overtime. Any premium time which is paid in connection with any overtime worked is charged to overhead, rather than directly to the contract.
- F. All inventions which may result from work proposed hereunder will be the property of the Contractor. If this contract actually calls for experimental, developmental, or research work, Contractor is willing to include the standard patent rights clause (ASPR-9-107.1) in such contract.
- G. Any contract resulting from this proposal will contain provision for the payment of the fixed fee as stipulated in the cost estimate and for reimbursing the Contractor for all costs incurred in the performance of this contract, in accordance with Section XV, Part 2 of Armed Services Procurement Regulations. Contract should further authorize that Inc., be authorized the use of negotiated final overhead rates with provisional reimbursement at current standard burden rates (for any department in which work is performed) with adjustment to be made to the negotiated final overhead rates as periodically determined in accordance with ASPR 3-704.1.

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For the purpose of compiling our estimate of costs, G&A and Burden have been included at estimated rates which closely approximate the anticipated actual G&A and Burden.

GENERAL INFORMATION

The following information and representations are provided to supplement information contained in the discussion of Terms and Conditions.

- A. having its executive offices at Minneapolis, Minnesota.
- B. The Mechanical Division of the company now employs approximately two thousand (2,000) persons. Total employees of the corporation number approximately thirteen thousand (13,000).
- C. There is no agreement to pay any commission, percentage, brokerage, or contingent fee in connection with the proposed contract.
- D. Individuals authorized to approve contracts on behalf of the Mechanical Division on the work proposed hereunder include: Mr. Z. Soucek, General Manager, and Mr. E. Frank Coy, Director of Sales.
- E. The Mechanical Division is under cognizance of the United States Air Force for security, audit, and for Government inspection when required.

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Analysis of Estimated Cost
Item I - Preliminary Study

Direct Labor:

Technical Specialist	519 hrs. @ \$6.90	\$3,581	
Engineering			
Principal and Senior	519 hrs. @ \$4.20	2,180	
Associate and Junior	519 hrs. @ \$2.90	<u>1,505</u>	
			\$ 7,266

Burden:

Research Department	1,557 hrs. @ \$3.60	<u>5,605</u>	
		12,871	
General & Administrative Expense @ 6%		<u>772</u>	
		13,643	
Fixed Fee @ 7%		<u>955</u>	
Total		<u>\$14,598</u>	

Analysis of Estimated Cost
Item II - Propulsion Prototype Development

Direct Labor:

Engineering			
Principal and Senior	865 hrs. @ \$4.20	\$3,633	
Associate and Junior	1,730 hrs. @ \$2.90	5,017	
Technician	346 hrs. @ \$2.35	813	
Machinist	346 hrs. @ \$2.60	<u>900</u>	
			\$10,363

Burden:

Research Department	2,941 hrs. @ \$3.60	10,588	
E&R Model Shop	346 hrs. @ \$3.00	<u>1,038</u>	
			11,626

Other Expenses:

Material			8,000
Motors, batteries, gas reducers, raw materials, etc.			
			<u>29,989</u>
General & Administrative Expense @ 6%			1,799
			<u>31,788</u>
Fixed Fee @ 7%			2,225
Total			<u>\$34,013</u>

Analysis of Estimated Cost
Item III
Navigation - Telemetering - Radio Control Equipment

A. Telemetering Equipment (2 sets)

Labor:

Senior Engineer	100 hrs. @ \$3.85	\$ 385	
Associate & Junior Engineer	650 hrs. @ \$3.05	1,983	
Drafting	40 hrs. @ \$2.45	<u>98</u>	
			\$2,466

Burden	790 hrs. @ \$2.60		2,054
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Materials:

2 Transmitters and power converters @ \$1,000		2,000	
2 Commutators @ \$675		1,350	
2 Sub-carrier oscillators @ \$475		950	
6 Information sensors @ \$750		4,500	
2 Discriminators and filters @ \$1,750		<u>3,500</u>	
			<u>12,300</u>

Total			<u>\$16,820</u>
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B. Direction Sensor (2 sets)

Labor:

Associate & Junior Engineer	500 hrs. @ \$3.05	1,525	
Drafting	80 hrs. @ \$2.45	<u>196</u>	
			1,721

Burden	580 hrs. @ \$2.60		1,508
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Material for 2 sets			<u>2,000</u>
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Total			<u>\$5,229</u>
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C. Radio Control (1 unit)

Labor:

Associate and Junior Engineer	80 hrs. @ \$3.05		244
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Burden	80 hrs. @ \$2.60		208
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Material			<u>500</u>
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		\$ 952	
Grand Total for Electronics		23,001	
General & Administrative Expense @ 6%		1,380	
		<u>24,381</u>	
Fixed Fee @ 7%		1,707	
Total		<u>\$26,088</u>	

This does not consider any cost on the radio control system for servo motor, amplifier, etc.

Analysis of Estimated Cost
Item IV - Vehicle Prototype Design

Labor:

Project Engineer	965 hrs. @ \$3.85	\$3,715	
Development Engineer	965 hrs. @ \$3.50	3,378	
Draftsman	350 hrs. @ \$2.70	945	
Technician	350 hrs. @ \$1.90	665	
Machinist	175 hrs. @ \$2.60	<u>455</u>	
			\$ 9,158

Burden:

Balloon Production	2,630 hrs. @ \$3.00	7,890	
Machinist	175 hrs. @ \$3.00	<u>525</u>	
			8,415

Other Expenses:

Material		250	
		<u>17,823</u>	
General & Administrative Expense @ 6%		1,069	
		<u>18,892</u>	
Fixed Fee @ 7%		1,322	
Total		<u>\$20,214</u>	

Analysis of Estimated Cost
Item V - Experimental Vehicle Fabrication

Labor:

Project Engineer	1,000 hrs. @ \$3.85	\$3,850	
Development Engineer	1,000 hrs. @ \$3.50	3,500	
Technician	500 hrs. @ \$1.90	950	
Assembler	2,100 hrs. @ \$1.62	3,402	
Equipment and Supply man	900 hrs. @ \$2.03	1,827	
Machine Repair man	200 hrs. @ \$2.44	488	
Machinist	350 hrs. @ \$2.60	910	
Carpenter	200 hrs. @ \$2.39	<u>478</u>	
			\$15,405

Burden:

Balloon Production	5,900 hrs. @ \$3.00	17,700	
Machinist	350 hrs. @ \$3.00	<u>1,050</u>	
			18,750

Other Expenses:

Material			<u>10,000</u>
			44,155
General & Administrative Expense @ 6%			<u>2,649</u>
			46,804
Fixed Fee @ 7%			<u>3,276</u>
Total			<u>\$50,080</u>

Analysis of Estimated Cost
Item VI - Experimental Flights

Labor:

<u>Preflight</u>			
Technician	720 hrs. @ \$2.00	\$1,440	
Engineer	60 hrs. @ \$3.85	231	
<u>Launch</u>			
Technician	288 hrs. @ \$2.00	576	
<u>Tracking</u>			
Technician	450 hrs. @ \$2.00	900	
Tracking vehicles		2,100	
Tracking aircraft		<u>1,252</u>	
			\$6,499
Burden	1,518 hrs. @ \$2.60	3,947	
		<u>10,446</u>	
General & Administrative Expense @ 6%		627	
		<u>11,073</u>	
Fixed Fee @ 7%		<u>775</u>	
Total			<u>\$11,848</u>

Analysis of Estimated Cost
Item VII - Data Analysis and Reports

Direct Labor:

Engineering			
Principal and Senior	346 hrs. @ \$4.20	\$1,453	
Associate and Junior	346 hrs. @ \$2.90	<u>1,003</u>	\$2,456

Burden:

Research Department	692 hrs. @ \$3.60	2,491	
		<u>4,947</u>	
General & Administrative Expense @ 6%		297	
		<u>5,244</u>	
Fixed Fee @ 7%		367	
Total			<u><u>\$5,611</u></u>